

MINUTES OF THE REGULAR CITY COUNCIL MEETING  
TUESDAY- -FEBRUARY 15, 2005- -7:30 P.M.

Mayor Johnson convened the Regular Meeting at 7:37 p.m. Councilmember deHaan led the Pledge of Allegiance.

ROLL CALL - Present: Councilmembers Daysog, deHaan, Gilmore, Matarrese and Mayor Johnson - 5. [Note: Mayor Johnson left the meeting at 9:02 p.m. to travel on City business.]

Absent: None.

AGENDA CHANGES

None.

PROCLAMATIONS, SPECIAL ORDERS OF THE DAY AND ANNOUNCEMENTS

(05-072) Proclamation supporting the Navy League's efforts to designate the City of Alameda as an official "Coast Guard City."

Mayor Johnson read the proclamation and presented it to Hadi Monsef and Barbara Price representing the Alameda Council of the Navy League. Ms. Price presented a book on the history of the Coast Guard to the Mayor and City on behalf of Coast Guard Admiral Breckenridge.

CONSENT CALENDAR

Councilmember Matarrese moved approval of the Consent Calendar with a correction to the February 1, 2005 regular meeting minutes.

Councilmember deHaan seconded the motion, which carried by unanimous voice vote - 5.

[Items so enacted or adopted are indicated by an asterisk preceding the paragraph number.]

(\*05-073) Minutes of the Special and Regular City Council Meetings held on February 1, 2005. Approved.

Councilmember Matarrese requested that the February 1 regular meeting minutes adjourn time be corrected to indicate a.m. instead of p.m.

(\*05-074) Ratified bills in the amount of \$2,200,868.59.

(\*05-075) Recommendation to accept the Quarterly Sales Tax Report for the second calendar quarter of 2004. Accepted.

(\*05-076) Resolution No. 13815, "Appointing an Engineer and an Attorney for Island City Landscaping and Lighting District 84-2." Adopted.

(\*05-077) Resolution No. 13816, "Appointing an Engineer and an Attorney for Maintenance Assessment District 01-01 (Marina Cove)." Adopted.

(\*05-078) Resolution No. 13817, "Amending the International Brotherhood of Electrical Workers (IBEW) Salary Schedule by Establishing a Salary Range for the Position of Inventory Control Clerk." Adopted.

#### REGULAR AGENDA ITEMS

(05-079) Resolution No. 13818, "Appointing Dennis J. Hanna as a Member of the Social Service Human Relations Board." Adopted.

Councilmember Matarrese moved adoption of the resolution.

Councilmember Daysog seconded the motion, which carried by unanimous voice vote - 5.

The City Clerk administered the Oath of Office and presented Mr. Hanna with a Certificate of Appointment.

(05-080) Introduction of Ordinance Amending the Alameda Municipal Code to Increase the Composition of the Golf Commission from Five to Seven Members by Amending Subsections 2-9.1 (Commission Created; Composition), 2-9.2 (Membership; Appointment; Removal) and 2-9.3 (Voting) of Section 2-9 (City Golf Commission). Introduced.

Mayor Johnson stated that she suggested the membership increase because there is a lot of upcoming activity at the golf course, including the new clubhouse; having two more members would help with the workload; the Golf Commission Chair supports the idea.

The Interim City Manager stated the golf course has become a large operation; the golf budget is over \$5 million; there will be major changes at the golf course that require financial overview in the next few years.

Councilmember deHaan stated the Transportation Commission was lowered from nine to seven members; the Recreation and Park Commission has five members; inquired whether the membership of the

Recreation and Park Commission should be reviewed.

Mayor Johnson stated the matter could be reviewed; commissions are established by ordinance and Council has flexibility to make changes; boards established by Charter would be difficult to change.

Councilmember deHaan stated having seven members provides flexibility to bring people with different expertise aboard.

Mayor Johnson concurred the matter should be reviewed.

Vice Mayor Gilmore moved introduction of the ordinance.

Councilmember Matarrese seconded the motion, which carried by unanimous voice vote - 5.

(05-081) Recommendation to award Contract in the amount of \$2,110,000, including contingencies to Ghilotti Brothers, Inc. for Park Street Streetscape and Town Center Project, Phase I, No. P.W. 10-02-13, and authorize the allocation of additional funds from the Merged Areas Bond Issuance of 2003.

Robb Ratto, Park Street Business Association (PSBA), stated the new streetlights will look like 1927 streetlights on the outside, but are state-of-the-art inside; hopefully, a later phase to complete Alameda Avenue will happen quickly; urged Council to approve the Contract.

Mayor Johnson stated that she is pleased with how well the Webster Street Streetscape project is going; that she has not received any complaints.

Councilmember deHaan stated the City decided to replace the entire sidewalk on Webster Street; inquired how the decision was made regarding Park Street.

The Public Works Director responded the entire sidewalk on Park Street is not being replaced due to cost and basements extending into the public right of way; stated replacing the Park Street sidewalks would require roofs to be built above basements, which would be very expensive; PSBA agrees with the approach.

Councilmember Daysog moved approval of the staff recommendation.

Vice Mayor Gilmore seconded the motion, which carried by unanimous voice vote - 5.

PROCLAMATIONS, SPECIAL ORDERS OF THE DAY (continued)

(05-072A) Proclamation supporting the Navy League's efforts to designate the City of Alameda as an official "Coast Guard City."

Admiral Breckenridge thanked the Council for the proclamation and for supporting the effort to become a Coast Guard City; stated the book presented to the Mayor and City is to thank the City for very strong support of the Coast Guard; thanked the Mayor, Council and citizens for supporting the Coast Guard.

Mayor Johnson stated the Council appreciates the excellent working relationship between the Coast Guard and the City; the Council is proud to have the Coast Guard as part of Alameda; thanked Admiral Breckenridge for the book.

REGULAR AGENDA ITEMS (continued)

(05-082) Resolution No. 13819, "Approving the Form of and Authorizing the Execution and Delivery of a Purchase and Sale Agreement and Related Documents with Respect to the Sale of the Seller's Vehicle License Fee Receivable from the State, and Directing and Authorizing Certain Other Actions in Connection Therewith." Adopted.

Councilmember Matarrese requested that the Interim City Manager provide a brief summary.

The Interim City Manager stated the Vehicle License Fee (VLF) was 2% of the vehicle's value; Governor Schwarzenegger lowered the VLF to 0.65%, which reduced the City's revenue; the Governor pledged that cities would be made whole; the State does not have funding to provide backfill, which amounts to \$1,270,770 for Alameda; the Governor promised to pay in two years; the concern is the State will not be able to pay the legal obligation when the time comes; in the past, the City has received a letter that the State does not have funds to pay for mandated costs, which the State is legally required to pay; receiving full payment can take several years; the State may not have adequate funds to pay the VLF backfill in two years; several cities decided to factor receivables; the City will net over 90% of the amount due from the State and could have the money by the end of March; the City can deposit the money and begin earning interest to mitigate the reduction.

Councilmember Matarrese stated the City would sell bonds; inquired how the liability would be covered.

The Interim City Manager responded there would be no liability to

the City because the bondholders would demand insurance to cover any State default; Covenants and Conditions of the bond will state the bondholders' recourse is not to any cities involved, but to the State.

Mayor Johnson inquired whether a default on the bonds would have no impact on the cities, to which the City Manager responded in the affirmative.

Vice Mayor Gilmore congratulated staff for the creative solution to deal with the budget deficit for the current year and next year.

Mayor Johnson noted that Assemblywoman Chan thought the idea was very interesting and a good strategy.

Councilmember Matarrese moved adoption of the resolution.

Councilmember Daysog seconded the motion, which carried by unanimous voice vote - 5.

(05-083) Recommendation to accept budget adjustments to revenue and appropriations.

The Interim City Manager gave an overview of the budget adjustments.

Mayor Johnson inquired why there is a cost to be part of the Alameda County Emergency Medical Services (EMS) system.

The Interim City Manager responded the cost is for providing emergency medical coordination.

The Deputy Fire Chief stated the County provides quality assurance overview; every city in the County pays a fee to the County EMS, which is the medical authority responsible for administering licenses, classes, and protocol; the fee is for overhead and quality assurance.

Mayor Johnson inquired whether the City reviews the County EMS budget, to which the Deputy Fire Chief responded the City receives a copy of the budget.

Mayor Johnson inquired whether every city pays \$500,000, to which the Interim City Manager responded the fee charged is per parcel.

Mayor Johnson inquired whether the City has to pay for training, to which the Deputy Fire Chief responded in the affirmative.

Mayor Johnson inquired whether the County sets policy.

The Deputy Fire Chief responded in the affirmative; stated the County reviews compliance with protocols and licensing.

Mayor Johnson stated the City should review the County's budget to determine why it is so expensive to be part of the system.

The Interim City Manager stated staff could provide a report with more detailed information and obtain a copy of the budget.

Mayor Johnson inquired whether the City provides more assistance in mutual aid outside Alameda or whether Alameda receives more mutual aid assistance from outside agencies.

The Deputy Fire Chief responded the County requires the City to enter into a mutual aid Contract to have American Medical Response (AMR) provide backup; AMR comes into town to backup Alameda and Alameda provides backup for AMR; the amount of assistance provided and received is probably about even; yesterday, paramedics were in Oakland nine times because the trauma center was on bypass; often times it goes the other way; if paramedics are at a fire scene, AMR takes all medical calls; noted when Alameda was ramping up the Advanced Life Support (ALS) system, the City was receiving money back from the County contract.

Mayor Johnson stated the amount that the City can charge for ambulance service is set by the County contract; the City should charge as much as insurance companies pay, which is often higher than the cap set by the County; the City should review the rates charged for ambulance services and request the flexibility to charge more to recover service costs from users.

The Deputy Fire Chief stated that the County sets the maximum charge for transport and equipment used; the City is allowed to charge a little more since Alameda is unique and citizens do not pay a paramedic assessment; however, historically the City has not charged more and only charges a prevailing rate.

The Interim City Manager continued reviewing budget adjustments.

In response to Councilmember Daysog's inquiry whether an increased permit fee could be charged for providing premium service since there is such a high demand, the Interim City Manager stated there is an expedited permit fee and some developers have paid for an outside contract service that the City administers.

The Interim City Manager continued his review.

Councilmember Daysog inquired whether neighborhood park directors would remain, to which the Interim City Manager responded in the affirmative.

The Interim City Manager completed his review; stated the total reduction in department budgets is \$2,770,363; added to reductions in non-departmental areas, the total reduction is \$6,295,983; the budget expenditure cuts and decreased revenues have no impact on the General Fund reserves for the fiscal year.

Mayor Johnson stated there was a \$1.2 million deficit in December; inquired how the deficit has reached \$4.8 million.

The Finance Director responded the budget adopted July 20 had expenditures exceeding revenues by \$1.6 million; revenues decreased another \$2 million because the 911 fee and Payment In Lieu of Taxes (PILOT) Return on Investment (ROI) were not adopted by the Council, resulting in a \$3.2 million deficit; Council actions to appropriate funds for the City Manager recruitment, Interim City Manager, Chinatown agreement, and other activities had an approximately \$256,000 impact.

Councilmember deHaan inquired whether hiring additional Firefighters would have an impact on overtime.

The Interim City Manager responded that the five Firefighters would start the academy March 15; there would be a cost of \$322,000 in salaries for the five Firefighters in the academy; there will not be a net benefit for the current fiscal year.

Councilmember deHaan inquired whether there would be an impact in future years, to which the Interim City Manager responded in the affirmative.

Councilmember deHaan inquired the amount of the reserve that was required to be set aside.

The Interim City Manager responded there is a \$2,453,743 set aside for accrued vacation and \$1,444,000 for post employment health; the total accrued liability is about \$3.5 million of the reserves.

Mayor Johnson inquired whether the general reserves are about \$10 million.

The Interim City Manager responded that after removing the \$3.5 million required in set aside and removing loans to other funds, the amount remaining is \$8.9 million; if action is not taken, the

reserves could be used in 2 years; the federal and State governments have deficits; other cities are making staff reductions, doing furloughs and closing City Hall one day per month; Alameda's financial problems are not unique; the problem is due to the State taking property taxes and the large increase in the PERS contribution for retirements; since CalPERS investments have not done well in the last few years, contributions have to be raised significantly.

Kevin Kennedy, City Treasurer, stated significant cuts are being made without cutting services that citizens find vital; there has been a dramatic shift in the State's economy; the budget has to be brought in line with economic realities; the City might face equally or more difficult choices in the next budget; the City needs to focus on core services; the ten-year budget forecast will be integral in forming the next budget; the reserves do not allow the City to postpone dealing with the situation.

Councilmember deHaan stated Department Heads would have to implement budget changes; the budget would evolve over the next four or five years; the City needs to be prepared.

Councilmember Matarrese stated additional police dispatchers were needed; inquired whether the positions are being filled to prevent overtime and short staffing issues.

The Interim City Manager responded that he authorized filling two positions in dispatch; one or two more people might be hired, but he is holding off until he is convinced additional staff is absolutely required.

Councilmember Matarrese inquired whether the open positions in police and fire constitute a reduction in public safety out in the streets.

The Interim City Manager responded that positions cannot be reduced in a department without recognizing that there will be an impact; both the Fire Chief and Police Chief have made a concerted effort to have the least amount of impact to the citizens, such as a delay in processing abandoned vehicles; when the City does not backfill following officer promotions, there will be an impact.

Councilmember Matarrese stated the public should hear about the impacts; there will be ramifications to service; five Firefighters would be hired instead of eleven; inquired whether other vacancies are projected in the Fire Department.

The Interim City Manager responded only eleven vacancies are known.



Councilmember Matarrese inquired whether putting people through the academy later would cost more than putting additional people through the academy now.

The Interim City Manager responded the decision was made as a result of discussions that he had with the Fire Chief; based upon the needs of the Fire Department, the decision was that hiring five people was best.

Mayor Johnson stated the Council is concerned about not hiring in the Police and Fire Departments since the Council gave direction to avoid cuts in police and fire; the budget situation has become much worse; that she is looking at the measure as a way to get the City through the current fiscal year; the City cannot run a deficit budget; for the current fiscal year, the City does not really have a choice; the City does not have a large reserve; there is no hope things will be better next year; the budget should continue to be reviewed to make fundamental changes to try to do more with less; there will be changes in service levels to the public; the Council has to set funding priorities; that she supports the staff recommendation.

Councilmember Daysog stated tonight, the General Fund budget was balanced to maintain reserves while preserving soft priorities, such as neighborhood park directors and library hours on Sundays; going forward in the next fiscal year there will be challenges regarding hard priorities, such as police and fire; there would be additional hardships in the Alameda Reuse and Redevelopment Authority (ARRA) budget; now is the time to start making tough decisions and move forward with the staff recommendation; the City might also have to consider furloughs to save money, due to ARRA budget issues.

Councilmember Daysog moved approval of the staff recommendation.

Vice Mayor Gilmore seconded the motion.

Under discussion, Councilmember deHaan inquired when the Council would be provided the next fiscal year budget, to which the Interim City Manager responded in May.

On the call for the question, the motion carried by unanimous voice vote - 5.

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Mayor Johnson left the meeting to travel on City business.

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Councilmember Matarrese stated that he is reluctant that the City has to take these steps; requested that staff monitor service levels; if damage is being done and appropriations are needed, information should be brought to Council before the situation is an emergency; the City is starting to nick away at the meat of its services; that he does not differentiate between hard and soft priorities; Council has laid out priorities; the park and library services are intangibles that prevent the need for additional police officers in some cases; the situation should be monitored to ensure the City is not putting itself into an unrecoverable hole.

Acting Mayor Gilmore complimented staff for the clarity and brevity of the report; commended the *Alameda Journal* for top coverage of the issue; stated citizens need to be aware; Council is making the best decision given the resources available; the City needs to continue to get out the word because sooner or later the average citizen will be impacted.

Councilmember Matarrese requested that the Council consider direction to review terminating the police boat water services; stated upwards of 3,500 berths are occupied by boats that pay property taxes; that he assumes the fire boat is in jeopardy as well; that he would like to have options to help find an alternative funding source, whether it be a surcharge per slip or some other service levy that can be presented to the public; the matter should be brought back to the Council.

Councilmember Daysog requested a report on the ARRA \$2.5 million budget for public safety; stated that he understands the one-time expenditure will end June 30; in addition to the \$1.4 million hole in the City's budget, there will be a \$2.5 million hole in the ARRA budget next year; that he understands the Interim City Manager is reviewing alternatives.

The Interim City Manager stated staff is very concerned about the ARRA budget; that he has discussed the matter with the Development Services Director; steps are being taken to pare down the ARRA budget as much as possible, as soon as possible; the current ARRA budget cannot be sustained; one or two months into the next fiscal year, keeping the operation going will be problematic.

Councilmember Daysog stated problems in the ARRA budget could seep into to General Fund budget.

Councilmember deHaan inquired whether there would be a review of the ARRA budget shortly, to which the Interim City Manager responded in the affirmative.

#### ORAL COMMUNICATIONS, NON-AGENDA

(05-084) Michael John Torrey, Alameda, noted a Calgrant workshop would be held February 22 and a community meeting would be held February 23 to discuss extraordinary maintenance projects around the West End.

(05-085) Robb Ratto, Park Street Business Association, encouraged residents and workers in Alameda to shop in Alameda; stated sales tax revenues need to increase.

(05-086) Reginald James, West Alameda Teen Club, invited everyone to attend the West Alameda Teen Club black history basketball event February 24 from 6:00 to 9:00 p.m. at Chipman Middle School.

#### COUNCIL COMMUNICATIONS

(05-087) Acting Mayor Gilmore stated an Association of Bay Area Governments meeting on April 28 in San Francisco is about Casinos on the Bay Area Landscape; suggested that a Councilmember attend the meeting or staff attend, if a Councilmember cannot, to listen to the discussion.

(05-088) Councilmember Daysog stated the last representative to the League of California Cities was Barbara Kerr; that he has been involved in the East Bay Division employer subcommittee; that he would be willing to be the City's representative.

Acting Mayor Gilmore stated the matter would have to be placed on a future agenda.

#### ADJOURNMENT

There being no further business, Acting Mayor Gilmore adjourned the Regular Meeting at 9:18 p.m.

Respectfully submitted,

Lara Weisiger  
City Clerk

The agenda for this meeting was posted in accordance with the Brown Act.

MINUTES OF THE SPECIAL JOINT CITY COUNCIL AND  
COMMUNITY IMPROVEMENT COMMISSION MEETING  
TUESDAY- -FEBRUARY 15, 2005- -6:10 P.M.

Acting Mayor/Chair Gilmore convened the Special Joint Meeting at 6:20 p.m.

Roll Call - Present: Councilmember/Commissioners Daysog, deHaan, Matarrese, and Acting Mayor/Chair Gilmore - 4.

Absent: Mayor/Chair Johnson - 1.

The Special Meeting was adjourned to Closed Session to consider:

(05-070CC/05-007CIC) Conference with Legal Counsel - Existing Litigation; Name of cases: Alameda Belt Line v. City of Alameda, Alameda Belt Line v. City of Alameda, and City of Alameda v. Alameda Belt Line.

Prior to the Regular City Council Meeting, Mayor/Chair Johnson announced that a briefing was given by the City Attorney's office.

Adjournment

There being no further business, Acting Mayor/Chair Gilmore adjourned the Special Joint Meeting at 6:45 p.m.

Respectfully submitted,

Lara Weisiger, City Clerk  
Secretary, Community Improvement  
Commission

The agenda for this meeting was posted in accordance with the Brown Act.

MINUTES OF THE SPECIAL CITY COUNCIL MEETING  
TUESDAY- -FEBRUARY 15, 2005- -6:30 P.M.

Acting Mayor Gilmore convened the meeting at 6:45 p.m.

Roll Call - Present: Councilmembers Daysog, deHaan, Matarrese  
and Acting Mayor Gilmore - 4.

Absent: Mayor Johnson - 1.

The Special Meeting was adjourned to Closed Session to consider:

(05-071) Conference with Labor Negotiator; Agency Negotiators:  
Human Resources Director and Craig Jory; Employee Organizations:  
Management and Confidential Employees Association, International  
Brotherhood of Electrical Workers, and Police Association Non-  
Sworn.

Prior to the Regular City Council Meeting, Mayor Johnson announced  
that the Council obtained a briefing and instructions were given to  
Labor Negotiators.

Adjournment

There being no further business, Acting Mayor Gilmore adjourned the  
meeting at 7:25 p.m.

Respectfully submitted,

Lara Weisiger  
City Clerk

The agenda for this meeting was posted in accordance with the Brown  
Act.